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IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1940

No. 505

JOHANNES B. KESSEL and LOUIS HOFFBERG,
Petitioners,

vs.

VIDRIO PRODUCTS CORPORATION,
Respondent.

**PETITION FOR WRIT OF CERTIORARI TO THE UNITED
STATES CIRCUIT COURT OF APPEALS FOR THE
SEVENTH CIRCUIT, AND BRIEF IN SUPPORT
THEREOF.**

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PETITION FOR WRIT OF CERTIORARI.

*To the Honorable the Chief Justice and Associate Justices
of the Supreme Court of the United States:*

Now come Johannes B. Kessel and Louis Hoffberg, petitioners, and respectfully petition this Honorable Court to grant a writ of certiorari to the Circuit Court of Appeals for the Seventh Circuit to review a judgment of that Court reversing a decree of the District Court of the United States for the Northern District of Illinois, Eastern Division.

A certified transcript of the Record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith, in compliance with Rule 38 of this Court.

Summary and Short Statement of the Matter Involved.

This action was brought for infringement of Kessel Patent No. 2,134,048 on a small portable electric washing machine. The District Court found defendant guilty of infringement and ordered an injunction and accounting. The Circuit Court of Appeals reversed the decree of the District Court with directions to dismiss the complaint for want of equity.

This petition is directed to a review of the decision of the Circuit Court of Appeals.

Jurisdiction.

1. This is a suit arising under the Patent Laws of the United States, Judicial Code, Sec. 24 (7) (28 U. S. C. A. Sec. 41 (7)).

2. The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code, as amended by the Act of February 13, 1925 (28 U. S. C. A. Sec. 347).

3. The date of the decree which petitioners seek to have reviewed is June 5, 1940 (Rec. 435). The petition for rehearing was denied July 17, 1940 (Rec. 436).

Questions Presented.

1. Whether the Circuit Court of Appeals, under Rule 52 of the Supreme Court Rules of Civil Procedure, is bound by the findings of fact made by the District Court in the case at bar, including findings that the Kessel invention was not disclosed by the Engberg patent or any other prior art references.

2. Whether the inventor is estopped by reason of amendments made by him during the prosecution of his application, from claiming the benefits of improvements which were not disclosed by any prior references.

3. Whether a licensee, who is also the assignor, is permitted to urge such a narrow construction of a patent as to render the patent essentially worthless.

Reasons Relied on for Allowance of Writ.

The discretionary power of this Court to grant a writ of certiorari is invoked upon the following grounds:

1. That the Circuit Court of Appeals, in its decision, has overlooked or disregarded the findings of fact made by the District Court, and has not considered whether said findings were substantiated by the evidence.

2. That the decision of the Circuit Court of Appeals holding that the patentees are estopped by reason of amendments made by them during the prosecution of their application from claiming the benefits of an improvement which was not disclosed by any prior references, is in apparent conflict with the decisions of other Circuit Courts of Appeal that a patentee is not estopped by reason of the amendments of his claims from claiming the benefits of his invention, provided that the improvement was not disclosed by the prior references.

WHEREFORE, it is respectfully submitted that this petition for a writ of certiorari to the Circuit Court of Appeals for the Seventh Circuit should be granted.

J. ROBERT COHLER,
Counsel for Petitioners.

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**BRIEF IN SUPPORT OF PETITION FOR WRIT OF
CERTIORARI.**

Opinions of the Courts Below.

The opinion of the Circuit Court of Appeals for the Seventh Circuit was filed June 5, 1940, and is reported in 113 Fed. (2nd) 381.

The findings of fact and conclusions of law in the District Court appear in the Record on Pages 300-307. The decree of the lower Court appears in the Record at Pages 307-308. The opinion of the District Court appears in the Record at Page 238.

Jurisdiction.

(Note Petition (*Supra*, p. 2).)

Statement of Case.

Prior to the issuance of the Kessel patent in suit a joint application had been filed by Kessel and one Gold-

blatt, the president of the respondent corporation. Respondent then became the owner of said application. Thereafter certain State Court litigation with respect to said invention and application ensued between Kessel and respondent. In order to settle said State Court litigation, Kessel and respondent entered into an agreement which provided that respondent should assign all rights in the invention and in said application to Kessel and that Kessel grant an exclusive license to respondent to manufacture and sell, on a royalty basis, washing machines embodying the invention covered by allowed claims. This agreement also required that respondent affix patent notices to the machine sold under the license agreement (Plff's Ex. 5, Rec. 271). Pursuant to the agreement, the assignment was made and a concession of priority of invention was executed by respondent to Kessel. The joint application was subsequently allowed to become abandoned and the patent in suit was issued upon a sole application which theretofore had been filed by Kessel (Stipulation, Rec. 265-270).

Thereafter respondent began manufacturing and selling portable electric washing machines under the license agreement which respondent designated as its Model W 600. Respondent paid royalties on this machine and affixed the required patent notices thereto. However, several months after the license agreement had been entered into, defendant also began manufacturing and selling another portable electric washing machine which it designated as its Model No. 700 and on which it paid no royalties and to which it did not affix the required patent notices (Rec. 267). Petitioners, as the owners of said Kessel patent, filed suit in the District Court for infringement. The decree which was entered after answer filed and trial had before the Court found that respondent had infringed said Kessel patent by making and selling the machine designated by respondent as its Model No. 700 (Rec. 307).

Specification of Errors.

The errors which petitioners will urge if the writ of certiorari is issued are that the Circuit Court of Appeals for the Seventh Circuit erred:

1. In overlooking or disregarding the following findings of fact of the District Court:

A. That the Kessel invention was a pioneer invention, covering a function never before performed, was a wholly novel device, and was of such novelty and importance as to mark a distinct step in the art of washing machines; that the invention disclosed and claimed in the Kessel patent No. 2,134,048 is not disclosed in any prior art, including the Engberg patent No. 1,903,987 or any other patents referred to by said defendant (Rec. 301).

B. That respondent's Model No. 700, in fact, contains the inventions covered by the claims in the Kessel Patent No. 2,134,048 and is covered by said claims (Rec. 305).

C. That respondent's Model No. 700 would be useless for the purposes for which it is manufactured and sold without the use of the invention covered by the Kessel Patent No. 2,134,048 (Rec. 305).

D. That the construction, function, purpose, mode of operation and the concept of respondent's Model No. 700 is identical with the invention covered by the claims of the Kessel Patent No. 2,134,048 (Rec. 305, 306).

E. That respondent constructed, manufactured, and sold its Model No. 700 in an attempt to circumvent the claims of the Kessel Patent No. 2,134,048 (Rec. 306).

2. In holding that the patentee was estopped by reason of the amendments of his claims from claiming the benefits of his invention, namely, free circulation of air

within the dome, which improvement was not disclosed by Engberg or any prior references.

3. In failing to follow the established law that an applicant is not estopped by reason of amending his claims, from securing every improvement and combination that he has invented, which are not disclosed by the references on which the original claim was rejected.

4. In placing a construction on the Engberg patent which is directly contrary to the specifications contained in the Engberg patent.

Summary of Argument.

A. The Circuit Court of Appeals overlooked or disregarded the findings of fact made by the District Court that the invention claimed in the Kessel Patent was not disclosed by any prior art, including the Engberg Patent.

B. The patentee is not estopped by reason of amendments made by him during the prosecution of his application from claiming the benefits of improvements which were not disclosed by the prior references.

ARGUMENT.

The Circuit Court of Appeals disregarded the findings of fact made by the District Court and overlooked the fact that the essential feature of the Kessel Patent is recirculation of air within the dome and that this invention was not disclosed by any prior references.

The novelty of the Kessel invention lies in the fact that it was the first invention which provided for a machine capable of being placed upon a stove, or other source of heat, so that the clothes or other contents could be washed, boiled, and sterilized simultaneously.

In carrying out the concept of his invention, Kessel provided a means for cooling the motor, the lid, and the dome attached thereto, by creating a turbulence of air within the dome by means of a fan, resulting in a maintenance of a lower temperature above the lid than below, thus causing the condensation of steam on the bottom surface of the lid, and Kessel also made provision for the escape of steam generated in the container, by providing vents or escapes. Thus, the essential feature of the Kessel patent was a provision for free circulation of air within the dome. This is explicitly stated in Kessel's specifications (Lines 13-23, Column 1, Rec. 329) as follows:

"It is therefore one of the objects of the present invention to provide in a machine of this character improved means for causing a circulation of air currents over the motor or against the lid or cover of the machine to reduce the temperature of the motor and lid, to cool the same, so that the cover may be comfortable to handle, at the same time the reduced temperature of the cover or lid will result in the condensa-

tion of the steam or vapor within the machine, that contacts therewith."

Among its findings of fact, the District Court found (Rec. 301):

"That the Kessel invention, Patent No. 2,134,048, blazed the trail in the art of washing machines of the type disclosed in the said Kessel patent; and that the said Kessel invention was a pioneer invention, covering a function never before performed, was a wholly novel device, and was of such novelty and importance as to mark a distinct step in the art of washing machines; that the invention disclosed and claimed in the Kessel Patent No. 2,134,048, is not disclosed in any prior art, including the Engberg Patent No. 1,903,987, or any other patents referred to by said defendant."

The foregoing findings of fact were supported by the testimony of Paul G. Andres, an assistant professor of electrical engineering at Lewis Institute, Chicago, who testified at great length as to the concept of the Kessel (Plaintiff's Exhibit 1) and Engberg inventions and as to the differences between these inventions (Rec. 200-206).

The Circuit Court of Appeals held that petitioners are estopped from claiming that respondent's Model No. 700 is covered by the Kessel patent by reason of the fact that in the prosecution of their application petitioners amended their claims because the Engberg patent was cited against it.

The Engberg patent relates to a washing machine which does not permit the application of heat while the machine is in operation (Rec. 202).

This patent involves the opposite concept from the Kessel patent in that it makes express provision to prevent recirculation of air within the dome. The vital difference between the Engberg patent and the Kessel patent

is distinctly stated by each inventor is his respective patent. The Engberg specification (Rec. 404, Column 1, Lines 44 to 50) reads as follows:

“As it is important that cold air from outside the machine be always passed over the driving mechanism, a channel between openings 50 and *motor housing* cover 22 is formed by a conduit 55, *which prevents recirculation of air* in the space between cap 15 and plate 16” (Rec. 404). (Cap 15 is the dome and 16 is the plate on which the dome rests.)

The Engberg disclosure thus specifically provides for a *housing* 18-22 and 55 (Rec. 398) enclosing the motor and fan for the **express purpose of preventing recirculation of air within the hood**, whereas, in the Kessel invention the motor and fan are not encased within a housing, and Kessel has *specifically provided for free circulation of air within the dome*.

Respondent's Model No. 700 follows the Engberg invention by placing the fan on the side of the motor, but this machine departs from the Engberg disclosure by its failure to contain any housing around the motor and fan. The absence of the housing around the motor and fan in the infringing machine, makes the *function* of the infringing device identical with the Kessel device because a free circulation of air within the dome results therefrom. Inasmuch as Engberg makes specific provision *to prevent* recirculation of air within the dome, and since free circulation of air within the dome *is the main feature of the Kessel invention*, it follows that the infringing machine embodies the Kessel invention rather than the Engberg disclosure.

Petitioners concede that if respondent had enclosed the fan and motor within a housing, then recirculation of air would be prevented within the dome, and this machine

would not infringe on the Kessel patent, but would follow the Engberg disclosure.

The original application filed by Kessel contained various claims covering a fan adjacent to and on the side of the motor. In the prosecution of the Kessel application, the Engberg patent was cited as a reference, and Kessel was required to amend some of his claims by specifying the position of the fan as being above the motor. However, it is undisputed that Kessel never amended that portion of his application which provided for free circulation of air within the dome, **and the Kessel claims as finally allowed cover a device wherein air currents are directed against the motor, casing, and cover.**

The Circuit Court of Appeals held that by reason of the foregoing amendments, petitioners are now estopped to assert that the patent covers a portable washing machine in which the fan is placed upon a horizontal axis, even though that portable washing machine is designed to be placed upon a stove or other source of heat, so that the clothes or other contents can be washed, boiled and sterilized simultaneously, and even though that portable washing machine, unlike the Engberg patent, uses the Kessel method of cooling the motor, dome and lid, by providing for free circulation of air within the dome.

It is undisputed that defendant's Model 700, like the Kessel machine, contained no housing around the motor and fan and that recirculation of air would result in both of these portable washing machines.

The Circuit Court of Appeals has overlooked the principle of law that a patentee is not estopped from claiming and securing by his amended claim every useful improvement which he has invented, which is not disclosed by the prior references. Since the Engberg patent, which is exclusively relied upon by the Circuit Court of Appeals, made

specific provision for a housing around the motor and fan for the purpose of preventing recirculation of air within the hood, Kessel should not be estopped by reason of his positioning his fan above the motor, from claiming the benefits of his invention, namely, free circulation of air within the dome.

The opinion of the Circuit Court of Appeals is in conflict with the following cases:

In the case of *Drum v. Turner*, (C. C. A. 8th) 219 Fed. 188 at Page 191, the Court said:

“But one who acquiesces in the rejection of his claim because it is said to be anticipated by another patent or reference is not thereby estopped from claiming and securing by an amended claim every known and useful improvement that is not described in such reference.”

In the case of *Wayne Mfg. Co. v. Benbow-Brammer Mfg. Co.*, (C. C. A. 8th) 168 Fed. 271 at Page 279 the Court said:

“And, while the rejection on the reference to the patent to Palmer and the subsequent amendment may estop the plaintiff from claiming the improvements shown in Palmer’s patent, they do not estop it from claiming and securing every improvement and combination which Schroeder invented that was not disclosed by Palmer’s patent.”

In the case of *Ottumwa Box Car Loader Co. v. Christy Box Car Loader Co.*, (C. C. A. 8th) 215 Fed. 362 at Page 373, the Court said:

“One who acquiesces in the rejection of his claim because it is said to be anticipated by other patents or references is not thereby estopped from claiming and securing by an amended claim every known and

useful improvement that is not described by those references."

In the case of *O'Brien-Worthen Co. v. Stempel*, (C. C. A. 8th) 209 Fed. 847 at Page 851 the Court said:

"It is an indisputable principle of the law of patents that, if a patentee acquiesces in the rejection of his claims on references cited in the Patent Office and accepts a patent on an amended or substituted claim, he is thereby estopped from maintaining that the amended or substituted claim covers the combinations or devices shown in the references and from successfully claiming that the substituted claim has the breadth of the claims that were rejected. But he is not estopped from claiming and securing by his amended claim every known and useful improvement which he has invented and which is not disclosed by the references."

In the case of *Egry Register Co. v. Standard Register Co.*, (C. C. A. 6th) 267 Fed. 186 at Page 190 the Court said:

"The fact that the patentee acquiesced in the rejection of claims 1 to 4, inclusive, as originally presented—which claims were confined entirely to the feeding mechanism—does not bar him from relying upon the claims now in issue, which are combination claims and include, not only the feeding mechanism, but the added element of the tearing-off mechanism. It is almost a commonplace that a new combination of elements, old in themselves, but which produce a new and useful result, amounts to invention."

The Circuit Court of Appeals failed to follow the established law as laid down by the foregoing cases and has erroneously held that Kessel is estopped by reason of the amendments of his claims from claiming the benefits

of his invention, namely, free circulation of air within the dome, although this improvement was not disclosed by the Engberg patent or by any of the prior references.

Moreover, the decision of the Circuit Court of Appeals is contrary to the principle of law that an assignor or licensee cannot urge such a narrow construction of the claims of a patent as to destroy the patent grant.

The respondent in this case is both the assignor of the Kessel invention and licensee under the Kessel patent. Notwithstanding this fact, the respondent now contends that the only distinction between the Kessel patent and its Model No. 700, is the fact that the Kessel fan is on a vertical axis and in Model No. 700 the fan is on a horizontal axis.

Under the principle of law herein stated, the respondent should not be permitted to urge such a narrow construction of the Kessel patent as to render it worthless.

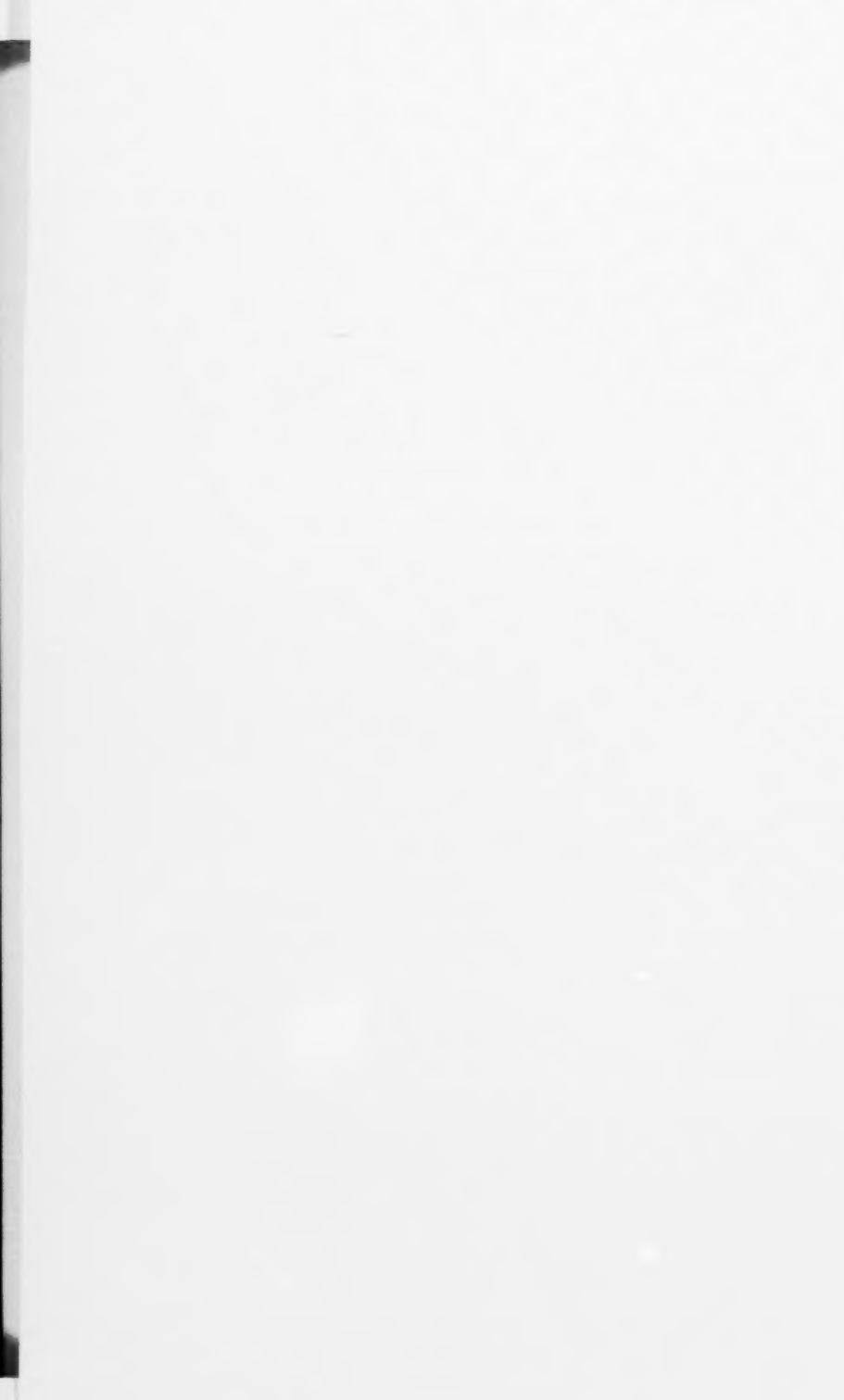
CONCLUSION.

We respectfully submit that the Circuit Court of Appeals has departed from the established rule of judicial proceeding by disregarding and overlooking the findings of fact of the District Court made upon substantial evidence and by its failure to follow the settled law that a patentee is entitled to the benefits of his improvements, namely, recirculation of air within the dome, which was not disclosed by the prior art references.

Respectfully submitted,

J. ROBERT COHLER,

Counsel for Petitioners.





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Respondent.

Reply Brief for Petitioners.

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Reply Brief for Petitioners.

*To the Honorable the Chief Justice and Associate
Justices of the Supreme Court of the United States:*

In reply to the brief of the Respondent, we respectfully
present the following:

ARGUMENT.

Respondent's brief contains the statement that free circulation of air within the dome is not the invention secured by the patent in suit and covered by its claims. Respondent seeks to substantiate this statement by its argument that the invention urged in the Patent Office was the forcing of a blast of air *directly* against the cover of the washing machine, by a fan mounted above the motor, on a vertical axis. (Brief p. 5.)

The Kessel patent provides a motor and fan which are not enclosed in a housing, and as a result thereof, the rotation of the fan forces air against the motor, cover and dome. We submit that the Kessel patent is entitled to the same construction whether the patentee describes the action of the fan as causing free circulation of air within the dome or whether he uses a more forceful expression and says that the fan throws a blast of air directly against the cover. Obviously, both expressions mean that the fan creates a turbulence of air within the dome which results in cooling the motor, cover and dome.

It should be noted, however, that the expression "*blast* of air *directly* against the cover of the washing machine" is not contained in all of the Kessel claims. For example, Claim 5 states that the fan causes air currents to be "directed through one opening against the motor, casing and cover and discharged through the other of said openings."

The testimony of Andres, an expert witness, conclusively proved that the function of the fan in the Kessel machine remains the same regardless of where it is positioned within the dome (Rec. 204, 205). The Patent Office Examiner also maintained that the function of the fan is the same whether it is above or at the side of the motor. (Plaintiff's Exhibit 10, page 25; Physical Exhibit.)

Petitioners, in their brief in support of their Petition for Certiorari, pointed out that Kessel states in his specifications that one of the objects of his invention is to provide in a washing machine a means for causing a circulation of air over the motor and against the cover and dome (Rec. 329, Column 1, Lines 13 to 33).

It should be noted that Respondent's brief does not challenge the statement contained in Petitioners' original brief that the Kessel claims were never amended with respect to the essential provision for free circulation of air within the dome.

The Kessel invention was the first and original invention to provide for the following:

1. A portable washing machine capable of being placed on a stove, or of having heat applied to the bottom of the machine, *so as to wash, boil and sterilize the contents thereof simultaneously.*

2. An **unenclosed** fan located within the dome and above the cover or lid of the machine, to create a turbulence and free circulation of air within the entire area of the dome for the purpose of cooling the motor, lid and dome.

The District Court, at the conclusion of the evidence and after examining the prior art, including the Engberg patent, stated: "that it was Kessel's patent that here blazed the trail for any portable washing machine" (Rec. 238). In its findings of fact, the District Court found that: "The Kessel invention was a pioneer invention, covering a function never before performed" (Rec. 301).

Respondent's brief also contains the statement that during the prosecution of the Kessel application in the Patent Office, art was cited (referring to Engberg patent) which showed every element of the claims as originally filed, including cooling of the motor by a fan on its shaft, *and some incidental cooling of the closure.* (Brief p. 5.)

The foregoing statement appears to have been based on the statement contained in the opinion of the Circuit Court of Appeals that "The prior art, perhaps best exemplified by the patent to Engberg, presents a combination which element for element is well-nigh identical with that of Kessel." (Opinion page 383.) We respectfully submit that the foregoing statements contained in respondent's brief and in the opinion of the Circuit Court of Appeals are not only contrary to the evidence and the findings of fact made by the District Court, but these statements are also contrary to Engberg specifications as set forth in his patent. Andres, the expert witness, testified that in the

operation of the Engberg machine, the fan would only cool the motor and no air would flow against the closure and there would be no free circulation of air within the dome, because the motor and fan were enclosed in a housing (Rec. 202, 203, 205).

The District Court in its findings of fact found that the Kessel invention was not disclosed by the Engberg patent (Rec. 301).

Engberg, as we pointed out in our original brief, **specified that his motor and fan be enclosed in a housing, in order to prevent recirculation of air between the dome and the cover** (Rec. 404, Col. 1). Andres testified that if heat were applied to the Engberg machine, when water was in it, the water would come to a boil, steam would be generated, and since the cover is locked to the container, there would be an explosion (Rec. 202). Andres further testified that the Engberg construction, in its preferable form, calls for a machine to be used with a liquid, such as a chemical cleaner, or a machine used with water and vapor, and that in order to keep the water hot it was necessary to eliminate the circulation of cool air within the dome (Rec. 206).

Even if we ignore the opinion of the expert witness, the findings of fact made by the District Court and the statements contained in Engberg specifications, a mere inspection of the Kessel and Engberg patents themselves prove conclusively that the concepts of these inventions are entirely different and that the Engberg invention will not perform the function of the Kessel patent. It is apparent that the Circuit Court of Appeals arrived at its conclusion through the erroneous assumption that the Kessel invention followed Engberg, element for element, whereas, the Engberg invention is designed and constructed so as to operate to prevent the very objects and purposes of the Kessel invention.

We concede that the Engberg washing machine permits cleaning of the contents in a chemical or the washing of clothes in hot water which had been placed in the tub. The fact that Engberg specified that the dome was to be locked to the container in order to prevent vibration and the further fact that Engberg specifications and drawings make no provision for steam vents and also and the fact that the Engberg patent does not contain one statement that heat could be applied to the tub, all prove conclusively that Engberg did not intend to apply heat to his machine, and that heat could not be applied thereto. It was Kessel who conceived the idea of a portable washing machine which would permit heat to be applied to it instead of pouring hot water into the tub. To carry out this concept, Kessel, unlike Engberg, provided an *unencased* motor and fan within the dome, and unlike Engberg, Kessel provided steam escapes, and unlike Engberg, Kessel clearly stated in his specifications that one of the objects of his invention was to provide a washing machine which could be placed upon a stove or beneath which heat could be applied.

The merits of this case must be decided upon the *sole* issue as to whether or not the Kessel invention of free circulation of air within the dome was disclosed by the Engberg patent. The finding of fact by the District Court that the Kessel invention was not disclosed in any prior art, including the Engberg patent, was not only substantiated by the undisputed evidence, but this was the only finding which the District Court could possibly have made pertaining thereto.

Inasmuch as respondent has cited the case of *Drum v. Turner*, (C. C. A. 8th) 219 Fed. 188, 191, which is also cited in petitioners' original brief, we are willing to rest our entire case upon the holding contained therein that a patentee is not estopped by reason of amendments made by

him during the prosecution of his application from claiming the benefits of improvements which were not disclosed by the prior references.

It is significant that the respondent, as one of the assignors of the Kessel patent, was thoroughly familiar with the Engberg patent when it accepted an exclusive license under the Kessel patent and agreed to pay royalties to the petitioners on said patent.

After hearing all the evidence, the District Court, in comparing respondent's Model No. 700 and the Kessel machine, said:

"It is very apparent, I think, to even the untrained or non-technical, or non-mechanical eye, that practically the only difference in these two machines is that one has a vertical motor and in the other it is horizontal, and for all purposes, in my opinion, one machine is just a copy of the other * * *" (Rec. 238).

The District Court, in its findings of fact, found:

"That the construction, function, purpose and mode of operation of said washing machine Model No. 700 is identical with the invention covered by the claims of the Kessel patent" (Rec. 305-306).

It is also significant that after hearing all of the evidence, the District Court in its findings of fact found that respondent constructed, manufactured, and sold its Model No. 700 in an attempt to circumvent the claims of the Kessel patent (Rec. 306).

Although Kessel is the original inventor of a portable washing machine capable of washing, boiling and sterilizing the contents thereof simultaneously and although the District Court stated that the Kessel patent blazed the trail for any portable washing machine, and although the District Court found that the Kessel invention was a pio-

neer invention, covering a function never before performed, Kessel will be deprived of the fruits of his invention unless this Court grants the petition for a writ of certiorari herein. The Kessel invention is so novel as to be of vital concern to the entire washing machine industry.

It is apparent that the Circuit Court of Appeals has overlooked or disregarded the findings of fact made by the District Court that the invention claimed in the Kessel patent was not disclosed by any prior art, including the Engberg patent, and that the Circuit Court of Appeals has overlooked the principle of law that a patentee is not estopped from claiming and securing by his amended claim every useful improvement which he has invented, which is not disclosed by the prior references.

CONCLUSION.

It is, therefore, respectfully submitted that the United States Circuit Court of Appeals erred in reversing the decree entered by the District Court.

We submit that the petition for a writ of certiorari should be granted.

Respectfully submitted,

J. ROBERT COHLER,

Counsel for Petitioners.

OCT 31 1940

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**BRIEF OF RESPONDENT IN OPPOSITION TO
PETITION FOR WRIT OF CERTIORARI.**

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IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1940.

No. 505.

JOHANNES B. KESSEL and LOUIS HOFFBERG,
Petitioners,

vs.

VIDRIO PRODUCTS CORPORATION,
Respondent.

**BRIEF OF RESPONDENT IN OPPOSITION TO
PETITION FOR WRIT OF CERTIORARI.**

*To the Honorable the Chief Justice and Associate Justices
of the Supreme Court of the United States:*

SUPPLEMENTAL STATEMENT OF THE CASE.

While Kessel patent 2,134,048 issued upon a sole application, its claims were prosecuted through the Patent Office in the earlier co-pending joint Kessel and Goldblatt application Serial No. 64,244 (paragraph 23 of the stipulation, Pltfs. Exh. 9, Rec. 268). As was pointed out by the Court of Appeals (Rec. 430), the file of the application on which the patent issued is void of reference, and it is to the earlier co-pending application that we must look to determine the meaning and scope of the claims in suit.

Claims 2, 5, 7 and 9 of the Kessel patent are the only

claims in issue. The real point of the controversy is whether the language in the claims defining the fan as "disposed above the motor" for "forcing the same" (the air) "directly against said closure" is a material limitation to be strictly construed in view of the proceedings in the Patent Office.

OPINIONS OF THE COURTS BELOW.

The opinion of the Circuit Court of Appeals for the Seventh Circuit was filed June 5, 1940, is reported in 113 Fed. (2d) 381, and appears in the record here at page 430. The patent has never before been adjudicated.

JURISDICTION.

The grounds for jurisdiction are set out on page 2 of the petition for certiorari.

SUMMARY OF ARGUMENT.

I. Effect of the Findings of Fact.

The Circuit Court of Appeals did not overrule the findings of fact of the District Court as to Kessel's contribution to the art, but rather found a consideration of the bounds of such contribution not necessary to its holding of non-infringement, which holding was grounded on Kessel's disclaimer of such contribution during the proceedings in the Patent Office and the voluntary limitation of his claims to a specific arrangement of parts not employed by defendant.

Moreover, findings as to invention and infringement are mixed conclusions of law and fact, and are not entitled to as much weight as findings of ultimate facts.

II. The Law re File Estoppels.

Any difference between the holding here and that in other decisions as to estoppel is the result of differences in the facts rather than the law. The rule is that, while amendments not directed to the point of distinction on which the patent was allowed will be given as broad a construction as is permitted by the prior art, *amendments directed to the point of the invention and disclaiming certain coverage in order to secure a patent will be strictly construed*. That is, a patentee who, after repeated rejection by the Patent Office, has disclaimed certain coverage in order to secure his patent, is thereafter estopped to construe a narrowed claim in such a way as to make it equivalent in scope to a broader cancelled claim.

III. The Value of the Patent.

While a licensee or assignor may not deny validity of a patent, that is as far as the estoppel goes; and such a party is free to make the defense of non-infringement, and use prior art and the file to show the scope of the claims.

The construction given the Kessel claims by the Circuit Court of Appeals does not render the patent worthless, respondent having manufactured and sold thousands of washing machines (on which royalties were paid) covered by the claims as thus construed.

ARGUMENT.

Preface.

The invention now urged by petitioners, recirculation of air, is not the invention secured by the patent in suit and covered by its claims. The invention urged in the Patent Office was the forcing of a *blast* of air *directly* against the cover of the washing machine, by a fan mounted *above the motor* on a vertical axis, in order to achieve the maximum possible cooling of the cover.

As the prosecution in the Patent Office proceeded (application Serial No. 64,244, Pltfs. Ex. 10, a physical exhibit) art was cited (Engberg patent 1,903,987, Rec. 396-406) which showed every element of the claims as originally filed, including cooling of the motor by a fan on its shaft, and some incidental cooling of the closure. It was only as a result of amendment and *limitation as to the specific position and operation of the fan* that the claims were allowed by the Patent Office; and claims *identical in all other respects except for this limitation* had been repeatedly rejected despite much the same kind of arguments here being presented, and were voluntarily cancelled by Kessel.

By such action the patentee *disclaimed* any structure and arrangement other than one where the fan was mounted above the motor to force its *main blast* of air *directly down* against the closure at the bottom of the machinery compartment, and may not now, in the words of this Court in *I. T. S. Rubber Company v. Essex Rubber Co.*, 272 U. S. 430, 443:

"by construction, or by resort to the doctrine of equivalents, give to the claim the larger scope which it might have had without the amendments which amount to a disclaimer."

I. Effect of the Findings of Fact.

The findings of the District Court, urged by petitioners, are directed to the breadth of Kessel's *contribution* as compared with the prior art, and ignore the fact that the location of the motor and fan and the direction in which its blast of air was driven is the difference from Engberg prior art patent 1,903,987 (Rec. 396-406), which was argued to be so important, and to which specific arrangement the claims were amended after rejection in the Patent Office.

The trial judge's views in this regard were clearly considered by the Circuit Court of Appeals, some of the District Court's language being quoted in the opinion of the Court of Appeals (Rec. 431, near the bottom of the page). The Court of Appeals then went on, however, (Rec. 431-433) to point out that, regardless of what metes and bounds might now be worked out for the Kessel invention, in the proceedings in the Patent Office (to quote from its opinion, Rec. 433), "by his acceptance of the suggestions of the Patent Office, Kessel has disclaimed everything other than the specific arrangement disclosed in his amended claims and is now estopped to assert that they cover a device in which the fan is placed upon a horizontal axis". The Circuit Court of Appeals did not overrule or overlook the District Court's findings that Kessel may have made a certain *contribution to the art* over and beyond the Engberg prior art patent. Instead, the Circuit Court of Appeals rested its decision on disclaimer and estoppel, saying that *regardless* of what area was covered by Kessel's contribution to the art he had voluntarily disclaimed, in the Patent Office, all but a particular corner of it, the specific arrangement where the motor was on a vertical or substantially vertical axis with the fan above it to drive its main blast of air directly against the closure at the bottom of the machinery compartment.

In addition to the fact that the Circuit Court of Appeals found non-infringement on this different ground, it is submitted that the kind of findings of fact here quoted by petitioners are not the kind entitled to great weight under Rule 52 of the Rules of Civil Procedure. Findings as to infringement and invention present mixed questions of law and fact, rather than being ultimate facts alone. There can be no real controversy as to the ultimate facts in this patent case (prior art patents and the structure of the accused machine), and these are available to the Circuit Court of Appeals to the same extent as to the District Court. The situation with respect to findings of invention and infringement, which are really more conclusions than ultimate facts, is thus considerably different from the finding of an ultimate fact in an accident case or similar situation involving conflict of testimony.

The opinion of the Court of Appeals (Rec. 430-434) shows that careful study was given to the patent in suit and to its file and that of the preceding joint application, and to what the District Court had in mind; and careful comparison of the claims in suit, limited as they must be by the proceedings in the Patent Office and by the prior art, was made with the accused washing machine. After this careful consideration the Circuit Court of Appeals for the Seventh Circuit found that the claims were not infringed, and it seems to us that any findings of the District Court which might be construed to be in conflict with the Court of Appeals' decision were set aside as clearly erroneous, not that there was any "overlooking or disregarding" (in petitioners' language) of the findings of the District Court.

II. The Law re File Estoppels.

We have no quarrel with the principle of law that a patentee may secure by an amended claim every useful improvement which he has invented which is not disclosed by the prior references (page 11 of the petition and brief). But petitioners overlook the fact that this principle of law is subject to the qualification that, *if certain portions or areas of the improvement made by applicant are disclaimed in the Patent Office in order to secure a patent*, these areas may not subsequently be reclaimed. This principle has been enunciated by this Court several times, being stated concisely by Mr. Justice Shiras in the case of *Hubbell v. United States*, (1900) 179 U. S. 77, 80:

“It is well settled that the claim as allowed must be read and interpreted with reference to the rejected claim and to the prior state of the art, and *cannot be so construed as to cover either what was rejected by the Patent Office or disclosed by the prior devices.*” (Italics ours.)

Broader claims calling for all of the elements of these washing machines, and almost identical with those which finally issued in the patent, were presented to the Patent Office and argued to distinguish from Engberg's prior patent on the same kind of arguments here presented (application Serial No. 64,244, Pltfs. Ex. 10, a physical exhibit). Upon repeated rejection the claims were amended to define the cooling fan as “above the motor” so that its main blast of air would be “directed . . . against the . . . cover”, some of the claims further defining the fan and motor as being on a vertical axis. Defendant's accused machine clearly does not have its fan located as called for in this language, but instead has the motor and fan off to one side of the machinery compartment with the fan merely to cool the motor, its blast of air being directed *straight across* the compartment and *not down against the closure* at the bottom of the compartment. The question in issue,

therefore, is whether the patentee should be permitted to make use of the doctrine of equivalents to a point where the patent claim is of the same scope as claims rejected by the Patent Office and voluntarily cancelled.

Upon repeated rejection claims otherwise identical with those in the patent were cancelled and claims substituted therefor including the language quoted in the preceding paragraph, it then being argued that this specific arrangement of parts was the key to Kessel's invention (page 10 of the amendment dated April 22, 1936, application Serial No. 64,244, Pltfs. Ex. 10, a physical exhibit), and that "applicant's inventive idea of discharging air currents against the closure to cool or reduce the temperature thereof is not disclosed" in the Engberg prior art patent. It was on this basis that the claim was allowed and, as was said by the Circuit Court of Appeals in its opinion (Rec. 433, bottom of the page), "to attribute to Kessel now this wider conception, wherein the fan might well be placed on the side as well as at the top, is to ignore the very distinguishing element which led to the granting of this patent."

In holding that Kessel's claim could not be construed, under the doctrine of equivalents, broadly enough to have a scope exactly coincident with claims cancelled because of their rejection in the Patent Office, the Circuit Court of Appeals quoted (Rec. 433) the language of Mr. Justice Sanford in *I. T. S. Rubber Co.*, 272 U. S. 430, 433, as follows:

"Where an applicant whose claim is rejected on reference to a prior patent, without objection or appeal, voluntarily restricts himself by an amendment of his claim to a specific structure, having thus narrowed his claim in order to obtain a patent, he 'may not by construction, or by resort to the doctrine of equivalents, give to the claim the larger scope which it might have had without the amendments which amount to a disclaimer.' *Weber Electric Co. v. Freeman Electric Co.* 256 U. S. 668, 677, 65 L. ed. 1162, 1167, 41 Sup. Ct. Rep. 600."

It is submitted that there is no diversity or conflict of law between the decision of the Seventh Circuit Court of Appeals and those of other circuits in this regard, as urged by petitioners.

The rule is that where some adjective or descriptive phrase was inserted by amendment it may be given considerable breadth of construction as to equivalents *where it was not the real feature of distinction on which the patent was granted*. That is, immaterial limitations resulting from mere change of phraseology or description are not strictly construed. To the contrary, however, *limitations which are inserted into the claim to provide the only differentiation from the prior art, inserted after repeated rejection and cancellation of broader claims not including such limitation, are to be strictly construed*; and that is the situation here.

The cases cited by petitioners clearly recognize this rule, the cases chosen being ones in which the Court said that the facts there involved rendered the language in issue of the immaterial rather than material type. The other portion of the rule under which the facts of the case here fall was set out by the courts in each of the cases cited by petitioners, generally in the sentence or two immediately preceding the language quoted by petitioners in their brief.

In the case of *Drum v. Turner* (C. C. A. 8th), 219 F. 188, 191, for example, the language of the opinion immediately preceding that quoted by petitioners is as follows:

“The rule by which this question must be answered is that a patentee who acquiesces in the rejection of his claim on a reference cited in the Patent Office and accepts a patent on an amended claim is thereby estopped from maintaining that the latter claim covers the device shown in the reference and that it has the breadth of the original claim.”

It is respectfully submitted that there is no conflict of law between the circuits with respect to the rule of law

applicable here. The differing facts of various cases, of course result in the language in issue in some cases being given a broad range of equivalents as not being the material and key limitation of the claim, and the language in issue in other cases as being strictly restricted as being the sole point on which the claims were allowed or the sole differentiation from claims voluntarily surrendered, as here.

III. The Value of the Patent.

Petitioners, on the last page of their brief, urge as applicable here the "principle of law that an assignor or licensee cannot urge such a narrow construction of the claims of a patent as to destroy the patent grant."

The rule, of course, is that a licensee or an assignor is estopped to deny *validity* of a patent, just as the lessee of a piece of property is estopped to deny his landlord's title. The estoppel goes no further than this, however. There are numerous cases to the effect that prior art and file wrapper estoppels are open to a licensee as freely as to a stranger to the patent to show the true scope of a claim, and whether or not it is infringed. A case where this question was squarely considered was that of *American Specialty Stamping Co. v. New England Enameling Co.* (C. C. A. 2nd, 1910), 176 Fed. 557, 558, where Judge Lacombe said:

"While defendant may not dispute the validity of the patent, nor such a construction of its claims as will cover kettles of the type it first made, it may show, if it can, that those of the later type are not within the patent; and in considering this question the court may look into the prior art and *construe the specifications in the light of the file wrapper*, in order to determine whether the new style of kettle also infringes the patent." (Italics ours.)

The law was settled in the same way with respect to assignor-assignee relationships by the case of *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.* (1924), 266 U. S. 342, 351, where Mr. Chief Justice Taft said:

"Of course, the state of the art cannot be used to destroy the patent and defeat the grant, because the assignor is estopped to do this. *But the state of the art may be used to construe and narrow the claims of the patent, conceding their validity. The distinction may be a nice one, but seems to be workable.*" (Italics ours.)

Because of these relationships respondent is not free to deny that Kessel made a contribution to the washing machine art; but respondent is free to show that claims of the issued patent are restricted by prior art *or by disclaimers and estoppels* to a certain area, and that its accused machine is not within that area. Respondent manufactured and sold thousands of washing machines corresponding exactly to the arrangement shown in the Kessel patent, and admitted to be within the scope of his claims. On these machines, its Model W 600, respondent paid the agreed royalty; and that the construction of the claims made by the Circuit Court of Appeals below *does not render the patent worthless* is testified to by the sale of these thousands of washing machines. Respondent's Model 700 machine here accused, however, is not within the claims of the Kessel patent, and so respondent should not be forced to pay tribute thereon.

Conclusion.

We respectfully submit that the Circuit Court of Appeals for the Seventh Circuit gave due regard to the findings of the District Court and to the rule of law with respect to file wrapper estoppels, and correctly decided that the claims here in issue were voluntarily restricted by amendment and argument in the Patent Office in a material way which now requires such limitation of their construction that respondent's accused machine does not infringe.

This is just the usual patent case; there is no question of public interest involved, nor is there any close principle of law (or one of general interest) to be considered. The Court of Appeals, after a full hearing, held the accused device was not within the patent; and the petition for certiorari should be denied.

October 29, 1940.

Respectfully submitted,

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